

Introduced by Senator BurtonJanuary 15, 2003

An act to add Section 1182.12 to the Labor Code, relating to wages.

LEGISLATIVE COUNSEL'S DIGEST

SB 57, as introduced, Burton. Minimum wage.

Existing law requires establishment of a minimum wage for all industries of not less than \$5.75 per hour on and after March 1, 1998.

This bill would adjust the hourly minimum wage on January 1, 2004, and annually thereafter, to maintain employee purchasing power. The automatically adjusted minimum wage would be calculated using the federal Consumer Price Index, as specified. The commission would also be required to publicize the automatically adjusted minimum wage.

This bill would provide that its provisions may not be construed to preclude an increase in the minimum wage greater than the formula would provide or to result in a reduction in the minimum wage. This bill would also provide that the first automatic adjustment of the minimum wage would occur on January 1, 2004.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1182.12 is added to the Labor Code, to
2 read:
3 1182.12. (a) The minimum wage is automatically adjusted
4 on January 1 of each year to maintain employee purchasing power
5 diminished by the rate of inflation that occurred during the
6 previous year.



(b) The automatically adjusted minimum wage is calculated by multiplying the minimum wage in effect on December 31 by the percentage of inflation that occurred during the previous year, and rounding off the product to the nearest five cents (\$0.05). The Industrial Welfare Commission shall publicize the automatically adjusted minimum wage.

(c) For purposes of this calculation, the following terms have the following meanings:

(1) “Percentage of inflation” means the percentage of inflation specified in the federal Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Statistics, or its successor index.

(2) “Previous year” means the 12-month period that ends on August 31 of the calendar year prior to the adjustment.

(d) This section may not be construed to either preclude an increase of the minimum wage by the Industrial Welfare Commission in an amount that is greater than the rate calculated pursuant to subdivision (b) or result in a reduction in the minimum wage.

(e) The first automatic adjustment to the minimum wage shall occur on January 1, 2004.

